

Congressional Republicans' Hypocritical Balanced Budget Amendment Puts Medicare & Social Security on the Chopping Block

Just months after jamming their tax scam law through Congress that adds \$1.8 trillion to the deficit over the next ten years and failing to offer a budget that balances, Congressional Republicans are bringing a hypocritical Balanced Budget Amendment to the Floor as a cover up for their fiscal failures.

“After going on a tax-cutting and spending spree, House Republicans say it’s time to push for a constitutional amendment requiring balanced budgets.” [CQ Budget Tracker, [4/9/18](#)]

Here are the facts about the Balanced Budget Amendment (BBA):

- House Republicans have pushed a BBA before, including in 2011 when [Speaker Ryan voted against it](#).
- The BBA leaves little flexibility for Congress to respond to recessions and natural disasters.
- The BBA puts Medicare, Social Security, and Medicaid on the chopping block.

As a reminder, here’s a look at Congressional Republicans’ track record on the deficit in the past year:

- In December, Republicans enacted tax cuts for the wealthy, which will add \$1.8 trillion to the deficit over the next ten years.
- President Trump put forward a budget that fails to balance next year, or in any year.
- Congressional Republicans have failed to put forward a budget resolution, which is [statutorily required](#) to be completed by the end of this week, April 15.
- In February, the [U.S. Treasury posted their highest deficit in six years](#), due to decreased revenues from the GOP’s tax scam law.
- This week, the Congressional Budget Office released their new baseline projecting U.S. deficits would be 43% higher than previously thought this year, rise to \$980 billion next year, before [crossing \\$1 trillion](#) in perpetuity in large part due to the GOP tax scam law.

Some Republicans in Congress recognize the hypocrisy of promoting an amendment to balance the budget just months after voting to add trillions to the deficit through tax cuts:

Rep. Mark Meadows (R-NC): “There is no one on Capitol Hill, and certainly no one on Main Street, that will take this vote seriously.” [Politico, [4/10/18](#)]

Senator Bob Corker (R-TN): “Republicans control the House, Senate and White House. If we were serious about balancing the budget, we would do it. But instead of doing the real work, some will push this symbolic measure so they can feel good when they go home to face voters.” [Tweet, [3/29/18](#)]

Rep. Thomas Massie (R-KY): “Audacity (n): voting on a Constitutional balanced budget amendment only 4 legislative days after ramming through massive deficit spending, because you believe this stunt will convince constituents that you care about balancing the budget.” [Tweet, [4/9/18](#)]

Senator Corker’s thoughts join other budget experts in speaking out against the law:

Stan Collender, Adjunct professor Georgetown University: “This is just a deeply cynical and utterly hypocritical effort by these Republican House members to deflect all blame for the annual trillion dollar budget deficits the Congressional Budget Office reported on Monday would start in 2020 and continue every year of the Trump administration... this House GOP effort is politically motivated, fiscally insincere and totally sanctimonious.” [Op-Ed, [4/10/18](#)]

Advocates are speaking out in opposition to this BBA for jeopardizing Social Security and Medicare.

AARP: “A balanced budget amendment would likely harm Social Security and Medicare, subjecting both programs to potentially deep cuts without regard to the impact on the health and financial security of individuals.... Imposing a cap on Social Security outlays is unjustifiable, especially when the Social Security trust funds ran a surplus for decades – reducing the past need for additional government borrowing from the public -- and resulted in a public debt that is less today than what it otherwise would have been.” [Letter to Congress, [4/9/18](#)]

AFGE: “Our members are hardworking public employees who have dedicated their careers to the public good. We find it ironic that in the wake of passing an outrageous tax cut for the richest Americans which will increase the national debt by almost \$2 trillion dollars, some are willing to jeopardize the government’s ability to sufficiently fund its programs. For the federal agencies to sufficiently fulfill their various missions, fiscal flexibility must be maintained. To tie the hands of future administrations in this manner is a cheap political stunt and grossly irresponsible.” [Letter to Congress, [4/11/18](#)]

AFL-CIO: “Proposing a balanced budget amendment after enacting a tax cut that will increase the debt by almost \$2 trillion dollars and an omnibus appropriation bill that will further add to our nation’s debt proves that in Washington, D.C. hypocrisy knows no bounds. The truth is that the proponents of H.J. Res 2 are not motivated by deficit concerns; rather, they are using a deficit they created to force severe budget cuts in programs that will harm the most vulnerable among us, especially seniors, children, veterans and people with disabilities, as well as slash funding for public health and safety, education and medical research.” [Letter to Congress, [4/12/18](#)]

American Federation of Teachers: “This balanced budget amendment would prohibit the federal government from spending any revenue that was not collected during that same fiscal year, imposing a structure that is fundamentally opposed to the structure of Social Security, Medicare Part A, military retirement and civil service retirement systems, and all other programs that use a trust fund financing system to build up reserves in anticipation of future costs. This structure would also prohibit the use of rainy day funds or other types of judicious financing systems that states use to balance their budgets every year. This same straitjacket on federal funding would also act to exacerbate economic downturns, as it would require cutting programs or raising taxes during economic downturns—the opposite of what economists recommend.” [Letter to Congress, [4/12/18](#)]

The Arc: “The Arc is deeply concerned that a BBA of any sort would force deep cuts to essential programs that enable people with intellectual and developmental disabilities to live in the community and even, to survive. We urge you to oppose a balanced budget amendment that would likely result in a “cuts only” approach to dealing with our fiscal challenges.” [Letter to Congress, [4/10/18](#)]

Center for American Progress: “Given the federal deficits that are projected in the coming years—which are substantially higher because of the tax cuts—the balanced-budget amendment would almost certainly result in drastic cuts to middle-class bedrocks, including Social Security, Medicare, and Medicaid, so long as the majority maintains its opposition to higher revenues. Worse, a federal balanced-budget amendment could be calamitous for jobs and the economy because it would likely lead to economically damaging cutbacks at the very times when government spending is most needed.” [Blog post, [4/11/18](#)]

Center for Budget and Policy Priorities: “A balanced budget amendment to the U.S. Constitution would be an unusual and economically dangerous way to address the nation’s long-term fiscal problems.... the amendment would force policymakers to cut programs, raise taxes, or both. That would launch a damaging spiral of bad economic and fiscal policy: a weaker economy would lead to higher deficits, which would force policymakers to cut programs or raise taxes more, which would further weaken the economy.” [Fact sheet, [3/16/18](#)]

Karen Hobert Flynn, President, Common Cause: “With a BBA, the federal government could not borrow and raise money like this when there is a crisis. This is especially dangerous when our nation needs to spend extra money to respond to a national security crisis, a natural disaster, or a sudden change in the economy... The Constitution is not supposed to set detailed fiscal policy, and we shouldn’t start trying to use it that way now. That’s because a BBA would force courts to make spending decisions that are supposed to be left to our elected representatives. Instead of creating a responsible budget that works for everyday Americans, passing a BBA would be another example of Congress passing the buck and failing to do its job.” [Op-Ed, [4/11/18](#)]

Consortium for Citizens with Disabilities (CCD): “People with disabilities frequently rely on a range for federal programs as they often face multiple barriers to employment, have complex medical needs, and have very low incomes. Both mandatory and discretionary programs help people with disabilities to live in the community and avoid costly and unwanted institutionalization. Among the most critical mandatory programs are Social Security old-age, survivors, and disability insurance; Supplemental Security Income (SSI); Medicaid; and Medicare. These essential programs would be in serious risk were H.J Res 2 to be enacted.” [Letter to Congress, [4/12/18](#)]

269 national organizations, including AFL-CIO, Campaign for America’s Future, Children’s Defense Fund, Families USA, NAACP, and UAW: “A balanced budget constitutional amendment would damage the economy, not strengthen it. Demanding that policymakers cut spending and/or raise taxes even when the economy slows is the opposite of what is needed to stabilize a weak economy and avert recessions. ... In short, a balanced budget amendment is a recipe for making recessions more frequent, longer, and deeper, while requiring severe cuts that very likely would harshly affect seniors, children, veterans, and people with disabilities, as well as national security, homeland security activities, public health and safety, environmental protection, education and medical research.” [Letter to Congress, [4/20/16](#)]

International Association of Sheet Metal, Air, Rail and Transportation Workers: “... [A] balanced budget amendment would force severe budget cuts to programs that will harm hardworking every Americans such as Social Security, Medicare and Medicaid, or even allow federal courts to order Congress and the President to enact dramatic tax increases.” [Letter to Congress, [4/12/18](#)]

National Council on Aging Organizations: “We believe that the nation can and should reduce the federal deficit over time through a sensible approach that includes budget savings from increases in revenue and thoughtful, targeted reductions in spending when and where necessary, without increasing poverty, hunger or income inequality... Requiring a balanced budget, regardless of the state of the economy, risks making the economy less stable – turning downturns into recessions and making recessions deeper and longer. It takes away the tried and true tools Congress has used many times to bolster a faltering economy and help cushion economic blows to states.” [Letter to Congressional Leaders, [4/9/18](#)]

National Committee to Preserve Social Security & Medicare: A balanced budget amendment would prevent Social Security and Medicare Part A from drawing down trust fund reserves to pay retirement, disability and survivor benefits and hospitalization costs since all federal expenditures, including these earned benefits, would have to be covered by revenue collected in the same year. H. J. Res. 2 would also require draconian spending cuts of such a magnitude as to force policymakers to severely slash Medicare Parts B, C and D, Medicaid, and many other programs while opening the door to massive new tax cuts. At the same time, it would make it very difficult to achieve balance through revenue raisers such as tax increases or to raise the debt ceiling... [W]e oppose a balanced budget amendment to the U.S. Constitution because it would significantly harm the economy, result in a government default and force severe cuts in Social Security, Medicare, Medicaid and other vital federal programs.” [Letter to Congress, [4/10/18](#)]

National Education Association: “Any claim that a balanced budget amendment is necessary due to the mounting deficit is the height of hypocrisy. ... The call for a balanced budget amendment proves that those most in need — individuals and families — are being asked to finance a massive tax giveaway to the ultra-wealthy and corporate special interests. Declining revenues would force Congress to make deep cuts in Social Security, Medicare, and Medicaid as well as education and other essential domestic programs.” [Letter to Congress, [4/11/18](#)]

Progressive Policy Institute: The vote, which is virtually guaranteed to fall short of the two-thirds super majority necessary for passage, is nothing more than a cynical ploy to give the party of debt and deficits a veneer of fiscal responsibility while they make no serious effort to earn it ... The Republican crusade for this poorly crafted amendment is particularly dubious considering that most economic experts, including those who are sincerely and deeply committed to promoting fiscal responsibility, don’t believe in the necessity of a balanced budget. Small deficits can be sustainable as long as the debt burden that finances them is growing slower than the economy. For this reason, most informed deficit hawks believe the goal should be to stabilize and reduce the debt as a percentage of gross domestic product rather than to balance the budget.” [Blog Post, [4/10/18](#)]

School Superintendents Association: “A balanced budget amendment has serious implications for appropriations and for entitlement spending, as well as the economy, and potentially dire consequences when it comes to federal support for public education. Formally modifying the Constitution to require a balanced budget poses a serious risk of exacerbating a weak or struggling economy, tipping it into recession or making recessions longer and deeper. A balanced budget amendment, at the federal level, ties the hands of federal policymakers to respond with appropriate fiscal policy in light of a recession, and instead would back Congress into the corner of spending cuts and/or raising taxes, which run counter to what good economic policy would advise.” [Letter to Congress, [4/11/18](#)]

Service Employees International Union: “... It is entirely disingenuous for the Republican majority to express any concern for fiscal responsibility when they let every possible legislative priority that would help the American people fall to the wayside while they passed tax cuts for the wealthy and corporations. Instead of helping working families, they chose to recklessly enact over a trillion dollars in tax cuts to appease special interests. Now they are claiming that we are in a fiscal crisis and are predictably trying to use a problem of their own making to destabilize and cut Medicare and Social Security. This hypocrisy is not lost on the American people, and everyone can see right through this brazen political stunt.” [Letter to Congress, [4/12/18](#)]

Social Security Works: “If the BBA is made law, Congress will, in effect, raid the Social Security Trust Funds, which consists of the Social Security contributions of hard-working Americans. The Trust funds currently have a combined surplus of over \$2.8 trillion. Under the BBA, Social Security would be prohibited from drawing down its large surplus due to the BBA’s requirement that federal spending in any year must be offset by revenues collected in that same year.” [Letter to Congress, [4/11/18](#)]

Strengthen Social Security Coalition: “If enacted, the BBA will result in a huge and outrageous raid on the Social Security Trust Funds, which hold the assets of American workers and their families. Social Security should not be treated as a piggy bank, used to reduce the deficit, which was just drastically increased by the Republican tax bill. It is important to note that the deficit-increasing tax bill overwhelmingly benefited the wealthiest among us. ... [W]ith the BBA, Social Security would no longer be protected, as it should be, from cuts.” [Letter to Congress, [4/11/18](#)]

Democrats know that real fiscal responsibility means taking tough decisions head on. This Republican balanced budget amendment is not a real effort to promote fiscally sustainable policies.